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# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

August 20, 2013

Paul Rankine  
The Oil Mining Company Inc.  
TOMCO Energy PLC 2<sup>nd</sup> Floor  
Stanmore House 29-30 St. James  
London SW1A 1HB  
United Kingdom

Subject: Reclamation Surety and Permit Fee Required, The Oil Mining Company, TomCo Holiday Block Project, S047/0118, Uintah County, Utah

Dear Mr. Rankine:

The proposed processing plant and a portion of the access road to the plant for the TomCo Holliday Block project are within proposed critical habitat for Graham's penstemon (*Penstemon grahamii*) which has been proposed for listing as threatened under the Endangered Species Act. The Division of Oil, Gas and Mining has no authority to enforce provisions of this Act, but the Department of Natural Resources is signatory to a conservation agreement for Graham's penstemon which includes the following protection measure as part of the conservation actions to be implemented:

"Avoid or minimize impacts to the species and its habitat from permitted surface disturbances, subject to valid existing lease rights and other valid existing rights . . ."

The Division requests that The Oil Mining Company consider options for relocating the processing plant and access road to another location outside of the proposed critical habitat area. If the plant is to be within the critical habitat, the Division asks that the specific area of the plant be surveyed for individuals of Graham's penstemon and that they be avoided.

A different set of rules applies if this operation is expanded to a large mine. A Notice of Intention to Commence Large Mining Activities must, at a minimum, identify impacts to threatened and endangered species and the measures that will be used to mitigate those impacts. These rules apply to any lands in the state of Utah lawfully subject to its police power.

The Notice of Intention to Commence Small Mining Operations (NOI), received by the Division of Oil, Gas and Mining on July 29, 2013, is complete **with the exception of the reclamation bonding requirement and a permit fee in the amount of \$150.00.** The required reclamation surety is \$74,687.00 for a three-year escalation or \$76,887 for a five-year escalation. This was determined based on information in the following table.



**Small Mine Operation Bond  
Calculation Worksheet S/047/0118  
Over 5 acres**

**3-year escalation (2015)**

Item	Qty	Unit Cost	Total Cost
6th Acre Disturbance	1	\$40,600.00	\$40,600.00
Add'l Acres Disturbance	4	\$5,400.00	\$21,600.00
Revegetation costs	10	\$11,000.00	\$11,000.00
Flat bed truck	2	\$743.48	\$1,486.96
<b>TOTAL</b>			<b>\$74,687.00</b>

**5-year escalation (2017)**

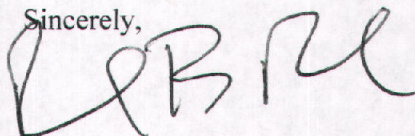
Item	Qty	Unit Cost	Total Cost
6th Acre Disturbance	1	\$42,000.00	\$42,000.00
Add'l Acres Disturbance	4	\$5,600.00	\$22,400.00
Revegetation costs	10	\$11,000.00	\$11,000.00
Flat bed truck	2	\$743.48	\$1,486.96
<b>TOTAL</b>			<b>\$76,886.96</b>

Please submit the reclamation surety, reclamation contract and permit fee within the next 30 days. No mining related disturbance may be created until the surety is received and approved and you have received written acceptance from this office as well as other applicable agencies.

The reclamation surety can be submitted in one of several forms, including, an irrevocable letter of credit, a certificate of deposit, cash or a surety bond. Please contact Penny Berry at 801-538-5291 or by e mail at [pennyberry@utah.gov](mailto:pennyberry@utah.gov) for assistance in completing this requirement.

Please contact April Abate at 801-538-5214 or me at 801-538-5261 if you have any questions regarding this letter. In reply please refer to file number S/047/0118.

Sincerely,



Paul B. Baker  
Minerals Program Manager

PBB: AA: eb

cc: J. Blake, SITLA, 675 E 500 S, SLC, UT 84102

Matt Macazier, Uintah County [macazier@co.uintah.ut.us](mailto:macazier@co.uintah.ut.us)

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